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September 12, 2003

Ms. Marlene Dortch  
Secretary Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Attention: Gregory Cooke  
Wireline Competition Bureau

RE: **Notice of Ex Parte Communication**  
CC Docket No. 96-128 (Implementation of the Pay Telephone  
Reclassification and Compensation Provisions of the  
Telecommunications Act of 1996)

Dear Ms. Dortch:

This letter is submitted as a brief memorandum of an oral ex parte presentation occurring on September 10, 2003 regarding issues under consideration in the payphone compensation docket. It is anticipated that this memorandum may be supplemented shortly with additional information for the Commission's consideration.

The following persons participated in a conference call on September 10, 2003 initiated at the request of Commission Staff:

Gregory Cooke	Wireline Competition Bureau
Darryl Cooper	Wireline Competition Bureau
Henry Thaggert	Wireline Competition Bureau
Jack Yachbes	Wireline Competition Bureau
David Jones	CommuniGroup of K.C, Inc.
Chris Chellele	CommuniGroup of Jackson, Inc.
Harold Paulos	Transtel Communications, Inc.
James H. Lister	McGuireWoods LLP (attorneys)

Each of the companies participating in the call (the "Joint SBR Participants") operates primarily as a switch-based reseller ("SBR"). Each has joined in opening comments and reply comments filed in this docket on June 23, 2003 and July 3, 2003 by a group of SBRs (the "Joint SBRs").<sup>1</sup>

During the call, the Joint SBR Participants described their experiences implementing payphone compensation and call tracking systems both before and after the effective date of the Commission's *Second Order on Reconsideration* in this docket. They noted that, should the Commission adopt a rule under which the SBR pays the payphone service provider ("PSP") directly, their systems are fully capable of accurately calculating the amounts of compensation due PSPs. Adoption of such a rule would eliminate the many complexities and problems inherent in a system in which the first facilities-based IXC ("FIXC") pays the PSP and seeks reimbursement from the SBR. Finally, the Joint SBR Participants discussed potential procedures governing the verification of the accuracy of SBR payment systems.

Respectfully submitted,

/s/ James H. Lister  
James H. Lister

Cc: Gregory M. Cooke  
Darryl Cooper  
Henry L. Thaggert, III  
Jack Yachbes

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<sup>1</sup> Opening Comments and Reply Comments filed by CommuniGroup of K.C., Inc. et al. (the "Joint SBRs") in CC Docket No. 96-128 on June 23, 2003 and July 3, 2003.